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AUG 18 2008

U.S. PATENT & TRADEMARK OFFICE

**REPORT ON THE
FILING OR DETERMINATION OF AN
ACTION REGARDING A PATENT OR
TRADEMARK**

In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been

filed in the U.S. District Court Eastern District of Louisiana on the following Patents or Trademarks:

DOCKET NO.	DATE FILED	U.S. DISTRICT COURT
08-4131 A (5)	8/8/08	Eastern District of Louisiana, 500 POYDRAS St., Rm C-151, New Orleans, LA
PLAINTIFF		DEFENDANT
Hockerson-Halberstadt, Inc. et al		New Balance Athletic Shoe, Inc.
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 5,784,808	7/28/98	Hockerson-Halberstadt, Inc.
2		
3		
4		
5		

In the above—entitled case, the following patent(s) have been included:

DATE INCLUDED	INCLUDED BY	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1		
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In the above—entitled case, the following decision has been rendered or judgment issued:

DECISION/JUDGMENT

CLERK	(BY) DEPUTY CLERK 	DATE
LORETTA G. WHYTE		August 12, 2008

Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LA

2008 AUG -8 AM 11:26

LORETTA G. WHYTE
CLERK

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF LOUISIANA

HOCKERSON-HALBERSTADT, INC.
AND STANDON, LLC

Plaintiff

CIVIL ACTION

NO.

08-4131

VERSUS

NEW BALANCE ATHLETIC SHOE, INC.
Defendant

SECT. A MAG. 5

**COMPLAINT FOR PATENT INFRINGEMENT AND
MISAPPROPRIATION OF PROPRIETARY INFORMATION**

1. This civil action for patent infringement arises under the Patent Laws of the United States, Title 35, United States Code.
2. The court has jurisdiction under 28 U.S.C. 1338(a).

PARTIES

3. Plaintiff, Hockerson-Halberstadt, Inc. (HHI), is a Louisiana corporation with its principal place of business in Albuquerque, New Mexico.
4. Plaintiff, Standon, LLC (Standon), is a New Mexico limited liability company with its principal place of business in Albuquerque, New Mexico.
5. Defendant, New Balance Athletic Shoe, Inc. (New Balance), is a Massachusetts

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corporation with its principal place of business at 20 Guest St., Boston, MA 02135.

FIRST CAUSE OF ACTION – Patent Infringement

6. On July 28, 1998, United States Letters Patent No. 5,784,808 was duly and legally issued to Stan Hockerson for an invention in a independent suspension athletic shoe. Since that date, Hockerson assigned all rights in the patent, including the right to sue for past infringements, to HHI. HHI is still the owner of those letters patent. A copy of the patent is attached hereto as Exhibit 1.
7. New Balance has in the past infringed those letters patent by making, using, selling, offering for sale and/or importing articles of footwear embodying the patented invention.
8. Upon information and belief, New Balance's infringement of the patent has been willful.
9. As a result of the acts of infringement complained of, HHI has been damaged in an amount not yet determined.

SECOND CAUSE OF ACTION – Misappropriation of Proprietary Information

10. Standon developed an over-the-counter orthotic device which is inserted into a shoe. The product is marketed and sold under the Easton trademark (the Easton insert).
11. New Balance intentionally induced Standon's principals, Johnny Halberstadt and Stan

Hockerson, to turn over confidential trade secrets and other proprietary information concerning innovations and improvements to the Easton insert.

12. During the period of late 2006 and early 2007 Jim Davis, Chairman of New Balance had several conversations with Standon and requested that Standon representatives Stan Hockerson and Johnny Halberstadt meet with other representatives of New Balance to share intellectual property, know-how, and marketing ideas relating to the intellectual property.
13. A meeting was set up by Jim Davis and took place on March 1, 2007.
14. It was understood between the Standon and the New Balance that these meetings were on a confidential basis.
15. Standon would not have met with New Balance absent an understanding that all disclosures would be kept in confidence and that Standon would be fairly compensated for any use of the information disclosed prior to any use of the information by New Balance.
16. At the March 1, 2007 meeting, Standon's representatives showed New Balance's representatives several intellectual property ideas relating to athletic footwear, specifically including information relative to proposed modifications and improvements to the Easton insert.

17. Standon disclosed information to New Balance about its intent and plan to produce a full length insert using a material known as Poron which would allow a rigid $\frac{3}{4}$ -length insert to have a full length foam insert poured over the top of it.
18. After the March 1, 2007 meeting, New Balance's representatives had numerous additional conversations with Standon's representatives and requested additional information. These requests and conversations were by telephone and through emails and concerned the means and methods for the manufacture and production of the insert.
19. In July 2007, New Balance began manufacturing and distributing an insert incorporating the proprietary information provided by Standon.
20. New Balance has not compensated Standon for its use of its proprietary information. Standon has been damaged by New Balance's misappropriation of its proprietary information

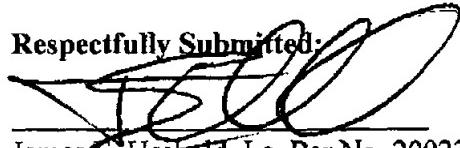
DEMAND FOR JURY TRIAL

21. Plaintiff's demand a jury trial.

WHEREFORE, plaintiffs HHI and Standon pray for judgment in their favor and against defendant New Balance finding infringement, willful infringement, and misappropriation of

proprietary information; awarding damages, costs, pre- and post-judgment interest, and attorneys fees; and/or granting all other legal and equitable relief to which HHI and Standon are entitled.

Respectfully Submitted:


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PLAINTIFFS WILL REQUEST WAIVER OF SERVICE